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INFORMATION ON ROMANIAN AGRICULTURE, TIMBER,
AND TIMBER PROCESSING, AND THE FOOD INDUSTRY

[Comment: This report gives information on agricultural development, timber and timber processing, and the food industry in Rumania. The information is from the Soviet book Pravshinnost' Rumynskoy Narodnoy Respubliki i Yeye Razvishcheniya (The Industry of the Rumanian People's Republic and Its Development) by S. I. Ponomarev, published by Geografiz in Moscow in 1958.

[Paragraphs and chapters translated in full are indicated in the text.]

AGRICULTURAL ECONOMY

[Excerpts From Chapter III, 1958 54-57]

Great historical changes have taken place in the agricultural economy of Rumania. The country's agrarian reform strengthened the union of the working class with the peasantry and created the necessary conditions for the transformation of a backward, scattered peasant economy into large-scale socialist agriculture. The March 1949 Plenum of the Central Committee of the Rumanian Worker's Party adopted a far-reaching decision concerning the goals to be attained in the socialist transformation of the Rumanian village.

By 1953, the first steps were taken toward the accomplishment of this all-important goal. More than 800 state agricultural farms covering an area which in May 1953 amounted to 1,500,000 hectares (more than 12 percent of the country's arable land), as well as 10 MTS, have been established. In addition, a wide network of consumer cooperatives, with a membership in excess of 5,300,000 has been organized. By the end of 1953, the Rumanian agricultural economy had at its disposal 23,300 tractors (in terms of 15-horsepower units), 19,000 tractor plows, approximately 500 self-propelled combines, 13,250 threshing machines, 5,220 cultivators, and many other agricultural machines.

With constant assistance from the government, and the growing stocks of technical equipment, the MTS and the state farms have become powerful levers in the socialist transformation of agriculture and the absorption of small peasant holdings into the collective system.

The first 50 collective farms in Rumania were organized in 1948, and in 1954 there were already 2,048 such farms (with a total area of 850,000 hectares). These farms are operating on the principle of socialization of the means of production and distribution of income in accordance with the amount of labor input. In addition, 1,500 TOZ, with a total area of 270,000 hectares have been established. The total population of the collectives and TOZ consists of over 300,000 laboring peasant families. By 1954, the socialist sector of the country's agricultural economy held about 25 percent of all arable land. The struggle for the organizational-economic strengthening of collective farms -- as pointed out in the directive issued by the Central Committee of the Rumanian Workers' Party on 18 September 1951, concerning the development of collectives and TOZ -- is at present the paramount task in the socialist transformation of agriculture.

Important measures have been carried out in the Rumanian People's Republic with a view to raising productivity and promoting an intensification of agricultural production. As a result, the country's agricultural economy

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has begun not only to deliver larger quantities of raw materials and food but to consume increasing quantities of industrial output, which in turn, provides the stimulus for further industrial growth.

Of tremendous significance to the development of Rumania's agricultural economy is the decree of the expanded Plenum of the Central Committee of the Rumanian Workers' Party of August 1953. Upon analyzing the work of the party and the government in the field of economic and sociocultural development, the plenum concluded that, along with considerable accomplishments, there had also been serious shortcomings in the party's economic policy. First, undue emphasis was placed on forcing the tempo of industrialization, particularly in the field of heavy industry, thus diverting an excessive volume of capital investment to this sector of the economy in relation to the national income. Second, the distribution of capital investments was not entirely in accord with the requirements of a proportionate development of the national economy: while heavy industry and construction projects were given very large appropriations, agriculture, one of the basic branches of the national economy, and the consumer goods industry, failed to receive an adequate amount of investment capital. This led to a lag in agricultural output and in the production of consumer goods.

The Plenum of the Central Committee of the Rumanian Workers' Party decreed that, in order to eliminate these shortcomings and rapidly improve the standard of living of the country's population, it is essential that the efforts of the party and the government be focused primarily on putting an end to the lag in agricultural production and in the food and light industries, so as to achieve an abundance of food and consumer goods.

The plenum pointed out, as an immediate goal, the need of attaining and exceeding the prewar level of agricultural production, of ensuring conditions for a further rise in agricultural yields and animal productivity, and an expansion in fodder production, horticulture, and viniculture.

The program of increased agricultural production during the 1953-54 period called for capital investments amounting to about 6 billion lei, or more than twice the amount invested during 1950-1952.

During 1953 and 1954, the Rumanian Workers' Party and the government adopted a number of resolutions designed to further agricultural development. The draft directives of the second conference of the Rumanian Workers' Party concerning the development of the agricultural economy during the next 2-3 years, provide measures for the development and utilization of all land reserves, so as to expand the area under cultivation up to 10 million hectares by 1956. A number of other measures contained in the directives are aimed at an increase in agricultural productivity, the strengthening of collective farms from an organizational and economic standpoint, increased assistance to individual holdings, etc.

TIMBER AND TIMBER-PROCESSING INDUSTRY

[Text of Chapter X, pages 146-155]

Despite the abundance of timber resources, the timber and timber-processing industry of the old bourgeois-landlord Rumania had been at a low level. Timber procurement was carried out by primitive means -- the peasant's saw and ax -- and the sawmills and the wood-processing industry, which were in the hands of private operators, consisted of small enterprises partly of the handicraft type (kustarnyy).

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Meanwhile, the vast expansion of construction has led to a greatly increased internal demand for timber. Timber is needed not only for the construction industry but also for the development of such industries as mining (props), cellulose-paper, chemical, shipbuilding, etc. Moreover, from the standpoint of the Rumanian Peoples Republic, which needs capital to finance the country's construction program, the timber industry is also of great importance as a source of exports.

Following the nationalization of the basic means of production in 1948, the Rumanian government took steps toward the reconstruction of the timber industry. The construction of sawmills is in progress in areas surrounding logging centers. Lumber mills and the lumber industry are receiving the latest equipment and are mastering advanced operational methods. Narrow-gauge railroads in forest areas are under construction. The emphasis in the timber industry is being shifted from lumber (pilomaterialy) which was formerly the basis of that industry, to the production of pulp wood (balansy), cellulose, plywood, packing wood, furniture, prefabricated houses, etc.

The timber-processing industry represents a considerable proportion of the over-all industrial output. By the end of 1947, this branch of industry had 789 enterprises (excluding paper plants), employing 75,500 persons, or about 20 percent of the labor force engaged in the country's processing industry.

In recent years, due to the development of the machine-building industry as well as other branches of industrial production, the relative share of the timber-processing industry has declined, although it still continues to play an important role in the country's economy.

Lumber Industry

According to data supplied by the Technical Commission on Construction Materials, Rumania had 729 sawmills, with a total of 1,283 frame saws, at the end of 1946. Of these, 83 percent represented small-size mills with one or two frame saws each; 15 percent average-size mills with 3-5 frames each; and only 2 percent large-size mills with more than 5 frames per mill.

Their distribution throughout Rumania's historical provinces, as of 1946, was as follows:

	No of <u>Mills</u>	No of <u>Frame Saws</u>
Transylvania	338	558
Moldavia	101	234
Muntenia	110	192
Bucovina	80	147
Oltenia	67	97
Banat	31	51
Dobruja	2	4
Total	729	1,283

In addition, there were over 1,400 water-driven sawmills equipped with wooden timber-cutting frames, which for the most part were owned by the village kulaks.

Timber procurement in old Rumania was conducted in a predatory spirit of self-enrichment. It was in a chaotic state. In 1933, the country's mills consisted of 104 with 4 to 10 frames per mill, and 15 with 10 to 27 frames each.

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Operations were conducted at an intensive rate. The timber merchants destroyed huge forest tracts located in the accessible southern part of the eastern Carpathians (in the former Trei-Scame, Buzan, and Futna districts) and the valley of the Lotru River, a right-side tributary of the Olt River.

In the 1930's, timber procurement and lumber output began to decline noticeably (lumber production had reached its high of 3 million cubic meters in 1929); the 1939 output, made up mostly of coniferous timber did not exceed 2.5 million cubic meters.

Beginning with 1933, because of the exhaustion of coniferous reserves, large mills began breaking up into smaller units and moving into areas of lesser reserves. This trend to move production closer to sources of timber supplies led to the excessive concentration of mills in the coniferous areas, the exploitation of which involved a minimum of invested capital. This explains why most of the sawmills were concentrated on both inclines of the eastern Carpathian mountains, where 70 percent of Rumania's pine timber was located. In the southern Carpathians or the Transylvanian Alps, where pine timber represents 20 percent of total resources, the number of mills was much smaller.

The sawmills were being built chiefly along rivers and railroads, where the round timber was hauled in by narrow-gauge railroads and animal-drawn transport. Upon processing at the mills, timber in the form of semifinished products was shipped via the Siret, Mures, and Comes rivers, toward the Danube, and was directed chiefly for export.

The forced expansion of the timber industry in the sparsely populated mining districts brought about a labor shortage. To reduce production costs, private operators proceeded to build mills in populated centers where labor was readily available. Thus, sawmills appeared in centers which were far removed from timber sources -- Bucharest, Galati, Piatra-Neamt, Bacan, Stalin, etc. The profits of such enterprises increased, not only because of the low wages paid the workers, but also as a result of the sale of mill waste to the urban population, particularly in districts devoid of timber.

Such was the historical background that led up to the present-day distribution of the lumber industry in Rumania.

The Five-Year Plan provides for a development of the timber industry that envisages an efficient and more intensive utilization of beech tree (buk) resources and a more comprehensive and efficient utilization of timber. With the construction of railroads and funiculars in the timber regions, new timber areas have been opened up which previously had been inaccessible because of the absence of roads in the areas in which they are situated (southern Carpathian, western Rumanian, and Maramures mountains). The main center of timber operations, however, is still in the eastern Carpathian region.

The vast experience of the USSR is being put to extensive use in the timber operations of the Rumanian People's Republic. Highly productive Soviet equipment, in particular the KT-12 tractor, is being employed in the hauling of timber. The plan provides for an expanded introduction of machinery and equipment, in order that, by the end of the plan period, 33 percent of timber operations, 22 percent of loading and unloading operations, and 79 percent of hauling operations, and 79 percent of hauling operations become mechanized.

Lumber production during 1955 will rise to 3.5 million cubic meters, including an output from deciduous forests of more than 800,000 cubic meters, equal to 230 percent of the 1950 output.

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Rumania may be said to have four principal regions in which the majority of timber enterprises are concentrated:

1. The Moldavia Carpathian region (Bacan and Suceava districts), where the predominant number of lumber plants are concentrated along the Suceava, Moldova, Bistrita, and Trotus rivers.
2. The Volcano mountain range [no such mountain range is known to exist in this area] (Stalin Regiune and the Hungarian Autonomous Regiune), where the greatest concentration of lumber mills is situated along the upper reaches of the Olt and Mures rivers, and in the Stalin Zarnesti Regiun.
3. At the southern inclines of the Moldavia Carpathian mountains and the adjacent southeastern part of the Transylvanian Alps (Ploesti and Pitesti Regiunes), where the plants are centered mainly in the valleys of the Dimbovita, the Arges, and, to some extent, the Prahova rivers.
4. In the western part of the Transylvanian Alps and the adjacent part of the Banat mountains, within the region formed by the adjoining Hunedoara, Timisoara, and Craiova regiunes.

There is almost a complete lack of lumber enterprises in other Rumanian districts, although some of the latter are endowed with valuable timber tracts.

With a view to a more efficient distribution of timber and timber processing enterprises in the Rumanian People's Republic, the construction of new mills is carried out in such a way as to take into account the possibility of a gradual expansion into new timber-rich regions.

Of particularly great importance, in this connection, will be the development of a timber-logging and timber-processing industry in the regions of the West-Rumanian and the Maramures mountains, rich in valuable beech timber, and in the South Carpathian region where, because of the absence of roads and the unsuitability of most mountain rivers for floating purposes, virgin areas of resplendent pine timber have remained completely intact. Not infrequently one may encounter here giant trees reaching 50-60 meters in height and 1.5 meters in diameter.

Wood Processing

Rumania has over 50 wood-processing enterprises engaged in the production of plywood, furniture, packing materials, prefabricated houses, parquet flooring, and various household items.

Wood-processing enterprises in old Rumania were small and, in part of the handicraft type. The situation has changed radically, following the victory of the people's democratic regime. Some of the old wood-processing plants have been greatly expanded and re-equipped; several new plants have been built.

An important role in the development of the wood-processing industry was performed by the mixed Soviet-Rumanian "Sovromles" Company, which constructed in the Bistrita River Valley the country's largest wood processing combines, equipped with the latest Soviet machinery.

One of the decrees issued by the Central Committee of the Rumanian Workers' Party and the Council of Ministers RPR, on the subject of the "Sovromles" combines, contains the following statement: "The large timber combines in Vadul-Neamt and Vatra-Dornei represent the highest and, for our country, an unprecedented technical achievement in the field of wood processing."

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The Five-Year National Economic Plan of the Rumanian People's Republic envisages a further expansion of this branch of industry through the construction of 10 wood-processing plants. The plan provides for the building of a plywood and barrel plant, a metal furniture plant (which has already gone into operation in Tirgu Mures), a plant for the production of 'linoflo' -- a product which in some cases can be used as a substitute for metal -- and a fiber plant which will utilize for production purposes waste material from the timber-processing industry. As a result, the 1955 output in this branch of industry will rise to twice the output of 1950.

The largest wood-processing enterprises are in Vatra-Dornei, Vadul-Neamt, Sfantul-Gheorghe, Stalir, Bucharest, Cluj, and Arad. The last four of these cities, as well as Tirgu Mures, Timisoara, Oradea, Sighet, Baia-Mare, Tirgu-Jiu, Caransebes, and Iasi, have furniture plants. Bucharest and Timisoara have match factories, and Bucharest and Pitesti, barrel factories.

Cellulose-Paper Industry

This industry, which even prior to the war could claim a number of large-scale, technically well-equipped enterprises, has undergone considerable development.

The raw materials utilized by Rumania's cellulose-paper industry, consist of fir and, in part, pine timber. Of late "kamysh" reed has also come into use.

The cellulose-paper industry produces cellulose, various types of paper, and cardboard. The prewar level of output was regained as far back as the beginning of 1948. During 1949-1950, as a result of the construction of a large cellulose plant and the expansion of existing enterprises, production had begun to rise rapidly. If the 1948 output is taken as 100, the output was 132 in 1950, 143 in 1951, and 291.7 in 1955. As compared with 1938, paper production is expected to show a 400-percent increase.

Cellulose-paper production is centered mainly in large enterprises situated in the forest zone of the Carpathian belt. The most important centers are Bacan, Piatra-Neamt, Zarnesti, Busteni, Sebes, etc. Of particular significance is the city of Bacan, which is the site of the steana Rosie, the largest cellulose-paper plant, responsible for more than one third of the entire paper output. It has up-to-date equipment and highly skilled workers, and is producing a high-quality assortment of paper and cardboard, as well as special paper, such as cigarette tissue, filtering paper, banknote paper, etc.

In 1951, a new huge digester (varochenny hotel) was installed in the plant's cellulose shop, with the result that cellulose output in that enterprise was doubled.

Upon fulfillment of the Five-Year Plan, cellulose and paper production during 1955 will reach a level equal to 180 percent of the 1950 output. A new combine for the production of cellulose, paper, and paper bags, with a capacity of 60,000 tons of paper and 60 million bags per annum, will be established. The productive capacity of existing enterprises will be increased.

The production of various types of cardboard, by the end of the Five-Year Plan, will rise to 231 percent of the 1950 output. This increase will be accomplished through the construction of two new cardboard plants and the modernization of existing ones.

During the initial years of the Five-Years Plan, the construction of a large cellulose paper combine in Tulcea City, to utilize "kamysh" reed from the Danube delta as its chief source of raw material, was completed. The utilization

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of this reed in the production of cellulose, paper, and textile fibers is of great importance to Rumania, to the extent that it contributes to the conservation of its forests.

Timber, along with petroleum products and agricultural products, figures prominently in Rumania's exports. The relative share of timber in the country's total exports for 1938 was 13.1 percent and in 1948, 14.5 percent. Furthermore, during the postwar period the export of timber has been increasing steadily. Taking 100 as a value indicator of 1946 timber exports, the value of exports was 183 in 1947, 361 in 1948, and 985 in 1949. At the same time, the composition of Rumania's timber exports is changing. During the prewar years, exports consisted chiefly of unprocessed and semifinished items -- lumber and firewood, which were for the most part of the coniferous variety.

In the Rumanian People's Republic the export of timber procured from deciduous forests is assuming increasing importance, with finished and semifinished products given considerable prominence. As early as 1948, there were large exports of plywood, wooden crates, clapboards, friezes, parquet flooring, etc., in addition to lumber, round timber, pulpwood, and beams.

Later, paper exports came to the fore. In 1950, large quantities of paper were shipped to the USSR, Hungary, Albania, Argentine Republic, Egypt, and the Levant.

Exports of products made by the wood-processing and cellulose-paper industry have been rising steadily during the Five-Year Plan period. This enables the Rumanian People's Republic to obtain additional capital with which to pay for imports of industrial equipment and needed raw materials, finance the further industrialization of the country, and raise the standard of living of the population.

FOOD INDUSTRY

[Text of Chapter XII, pages 168-171]

Prior to World War II, Rumania's food industry, in terms of output value, held second place among the country's processing industries. Nevertheless, notwithstanding the abundance of raw materials, this branch of industry had shown little growth. Beginning with 1928, capital investments in food enterprises had begun to decline, and plants were operating below their capacity. The reason lay in the extremely limited absorption powers of the domestic market. The food industry was producing for the domestic market, but the peasantry, who represented by far the predominant part of the population, was evincing an extremely insignificant demand for the products.

The most important branches of the food industry were the flour and sugar mills. Before the war, they were responsible for 60 percent of the total output of the food industry, and were large-scale, well-equipped enterprises. About 20 percent of the value of the food industry's gross output came from vegetable-oil plants, distilleries, and breweries. The production of meat, milk, canned, and confectionery goods was at a very low stage of development.

The food industry has the greatest number of enterprises. According to the 1947 census, there were, including those of the handicraft type, 14,700 enterprises, of which 611 were classed as plants or mills. However, based on the number of workers engaged in those enterprises, the food industry ranked fifth, and according to rated engine power, third among branches of the processing industry.

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Of the plant-mill type, in 1947 there were only five large-scale enterprises employing from 500 to 1,000 workers each. Those employing in excess of 100 workers numbered 42. These enterprises employed 48.6 percent of all the workers engaged in this industry, and had 64.1 percent of the rated engine power. The remaining enterprises were small and poorly equipped.

As a result of the expansion of existing enterprises and the construction of new ones, following the nationalization of industry, the productivity of the food industry increased sharply. During the period between 1949 and 1952, modern machinery was installed in a number of plants, a number of shops underwent expansion, and four tomato-paste factories were established. In 1953, a canning plant was put into operation, and new bread-baking plants were constructed.

The output of the basic branches of the food industry has increased greatly. The bread-baking output in 1952 was 144 percent of the 1949 output; canned vegetables, 247 percent; marmalade, 240 percent; confectionery, 192 percent; flour and macaroni products, 243 percent. During the last 3 years, the food industry has added 152 new types of products. In 1953, as compared with 1936, the output of macaroni products increased 600 percent, vegetable oil almost 350 percent, sugar 120 percent, and soap almost 400 percent.

Still, the growth of the food industry has been lagging behind the national economy. As stated earlier, the extended Plenum of the Central Committee of the Rumanian Workers' Party outlined in August 1953 a number of measures to put an end to that lag. To expedite the further development of the food industry during 1954-1955, a total of 1.2 billion lei is being invested in this industry, instead of the 980 million lei originally provided in the Five-Year Plan. This will ensure in 1954, as compared with 1953, a 40-60-percent increase in the production of the food industry -- in meat, fish, vegetable oil, and sugar. During 1954-1955, there will be an increase in the productive capacity of vegetable oil plants and the sugar, canning, fish, distillery, and brewing industries.

The period 1954-1955 will witness the increasing importance of such products as meat and dairy products, canned goods, starches, and glucose. New types of output will be placed into production: milk powder, frozen vegetables and fruits, fruit juices, and new types of canned fish. The fishing industry will be developed upon a new, and efficient basis. More favorable fishing conditions will be assured on the Danube delta and the Danube-watered area.

By the end of the Five-Year Plan, the food industry will acquire great importance in the export field, whereas during the prewar period it played a very insignificant role in Rumanian exports. This pertains to the distilling, canning, and tobacco industries.

During the years that have followed the introduction of economic planning, enterprises of the canning industry have been reorganized and their productive capacity increased through the installation of the latest mechanized and automatic equipment. New canning plants have been erected in Zagna (Galati Regiune), Vedeni (Braila Raion), Tulcea, Oltenita, and Tecuci. Fruit-canning plants have been established in Baiculesti and Riureni, in Pitesti Regiune. As a result, the output of canned fruit during 1953 was 4.8 times greater, and that of canned vegetables 10 times greater, than the 1949 output. The variety of output of the canning plants has also been increasing. In 1953, there were already 49 kinds of canned vegetables, 3 kinds of frozen fresh vegetables, 10 kinds of dehydrated vegetables, 8 kinds of pickled vegetables, and, also, 26 kinds of canned meat.

Other important items of export are the Rumanian wines and alcoholic beverages. The wine-producing regions specialize in certain wines. Of particularly

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great renown is the Cotnari region in Moldavia; the "Pearls of Moldavia" (Zhemchuzhiny Moldovy) natural wines have long been famous abroad.

Of late there have been considerable exports of tobacco products -- pipe tobacco, cigars, and cigarettes.

Among the numerous small and average-size food industry centers, the following can be considered as the most important producers: in Muntenia-- Bucharest and the Danube ports of Braila and Giurgiu; in Moldavia-- Galati, Roman, and Botosani; in Transylvania-- Stalin, Cluj, and Tirgu Mures; in Banat and Crisana-- Timisoara, Arad, and Oradea.

The largest flour mills are located in the cities of Braila, Timisoara, Arad, and Bucharest. The sugar industry is almost wholly centered in Giurgiu (Bucharest Regiune), Chitila (Bucharest city), Eod (Stalin Regiune), Roman, Itcani (Suceava Regiune), Tirgu Mures, Arad, and Timisoara. Two new sugar plants are being erected in Botosani and Livezi (Craiova Regiune). The sugar output during 1954-1955 is expected to reach 300,000 tons (as compared with the 278,000 tons originally anticipated in the plan).

The vegetable-oil enterprises are concentrated chiefly in Moldavia, where the planting of sunflower seeds is widespread, and also in the southeastern part of the country. The most prominent plants producing vegetable oil for export, are in Bucharest, Braila, Galati, and Konstanta. New plants have been established in Cariova, Orad [Oradea?], and Botosani. Vegetable oil production during 1955 will reach 72,000 tons.

Breweries are to be found in nearly all of the large cities. Of the smaller locations Azuga deserves to be mentioned -- here the country's most famous beer is made from a barley growing in the Prakova River valley, which is of particularly high quality.

The large tobacco plants are situated in Bucharest, Timisoara, Iasi, and Sfintul-Gheorghe.

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